

Welcome!

Hanford Advisory Board Budget and Contracts Committee Webinar

Welcome to the webinar! Please stand by while we wait for others to join. While waiting...

1. Be sure to enter your audio PIN so that you can participate in the discussion.
2. You will remain muted until called upon.
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Aug. 17, 2011

Welcome

- Webinar logistics
 - Raising your hand
 - Asking questions
 - For technical support, call Emily at 206-743-4454
- For more information
 - <http://www.hanford.gov>
- Introductions

Webinar Purpose

- *To hear an agency presentation on the Lifecycle Cost & Schedule Report*
- *To identify the salient points in the report relevant for the full Board's review in September.*

Agenda

- 1:00 p.m. Welcome, Introductions, Overview
- 1:15 p.m. Lifecycle Cost & Schedule Report
 - Presentation
 - Regulator Perspectives
 - Committee Discussion
- 2:30 p.m. Points to cover during the September Board Meeting presentation
- 2:50 p.m. Wrap Up – Committee Next Steps
- 3:00 p.m. Adjourn

2011 Lifecycle Scope, Schedule and Cost Report

Presentation by Shannon Ortiz
U.S. Department of Energy, Richland Operations Office



U.S. DEPARTMENT OF
ENERGY

Richland Operations
Office

Hanford Advisory Board

Budgets and Contracts Committee Meeting

2011 Hanford Lifecycle Scope, Schedule and Cost Report

Shannon Ortiz, Project Manager

*US Department of Energy –
Richland Operations Office*

August 17, 2011



EM *Environmental Management*

safety ❖ performance ❖ cleanup ❖ closure



Lifecycle Report Project Team

- The U.S. Department of Energy, Richland Operations Office (DOE-RL) Project Integration and Control (PIC) organization is responsible for Tri-Party Agreement (TPA) Milestone M-36-01, *2011 Hanford Lifecycle Scope, Schedule and Cost Report* (Lifecycle Report)
- The Lifecycle Report is prepared annually, Shannon Ortiz is the DOE-RL Project Manager, and the Mission Support Alliance, LLC (MSA) Portfolio Management (PFM) organization is the supporting DOE contractor





Overview

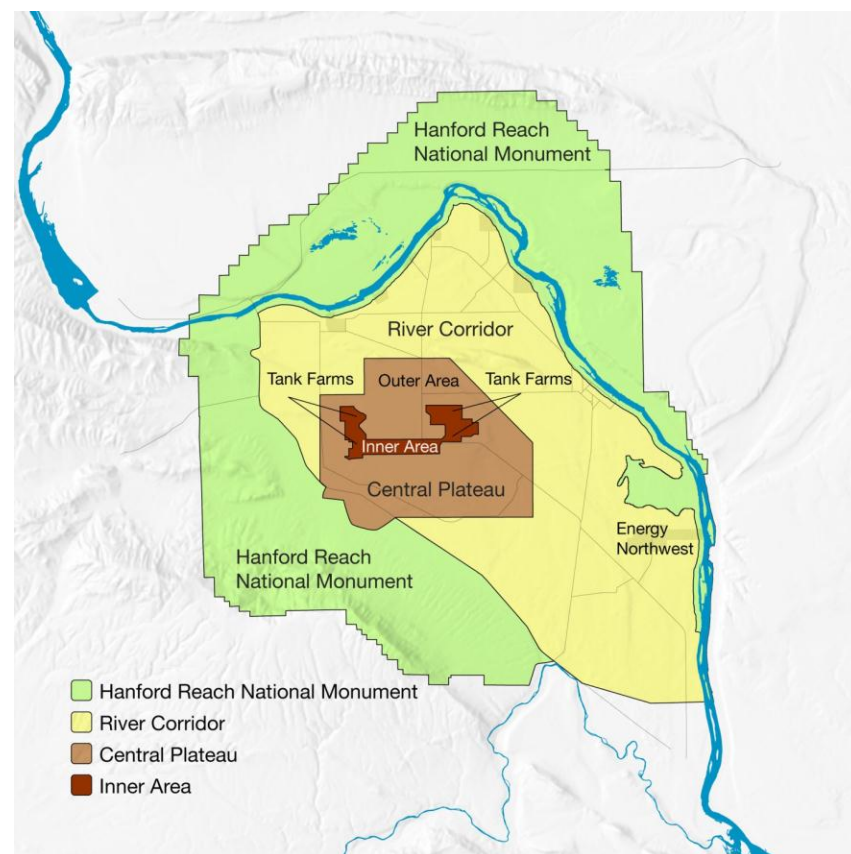
- On Thursday, August 4, 2011, the DOE released the 2011 Lifecycle Report to the public
- This Lifecycle Report complies with Tri-Party Agreement (TPA) milestone direction, and the Project Baseline Summary (PBS) is the central organizing theme
- The Lifecycle Report reflects all cleanup work that is to be completed by both the DOE Office of River Protection and DOE Richland Operations Office through approximately 2060, as well as approximately 30 years of site management, or long-term stewardship, through 2090
- The Lifecycle Report supports continued discussions with U.S. Environmental Protection Agency (EPA) and Washington State Department of Ecology (Ecology) on how and when DOE-RL and DOE Office of River Protection (ORP) will complete cleanup, and how milestone changes will affect lifecycle scope, schedule, and cost
- The Lifecycle Report is for planning purposes only; and costs provided are estimates. The estimated costs shown are in 2010 dollars, which have been escalated for inflation





Hanford Scope

- The Hanford Site cleanup consists of three major components: 1) River Corridor, 2) Central Plateau, and 3) Tank Waste (the tank waste component is contained geographically within the Central Plateau). The Lifecycle Report is organized in alignment with these components
- The scope of Hanford Site cleanup work is broken down into a series of PBS's, 10 for DOE-RL and 2 for DOE-ORP





Hanford Scope (continued)

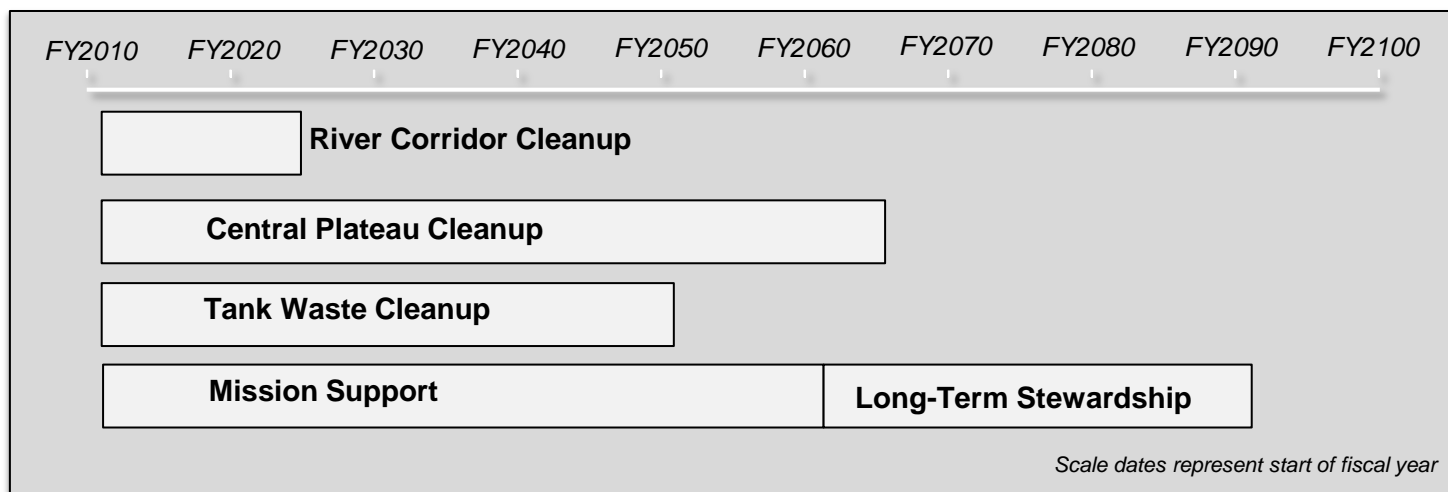
- The Lifecycle Report does:
 - Provide project scope, schedule and cost from FY 2011 – FY 2090 for both DOE Hanford offices and will be modified annually;
 - Show the remaining estimated cleanup cost for projects;
 - Include post closure long-term stewardship (LTS)/institutional controls, safeguards and security, pension costs, community and regulatory agency support;
 - Include regulatory documentation of site cleanup decisions;
 - Reflects tribal and stakeholder views and values;
 - Include actual budget appropriated in FY 2011, the President's requested budget in FY 2012 and future cost estimates that support full compliance.
- The Lifecycle Report does not:
 - Include DOE operating budget or Tribal Grants;
 - Identify prime contracts;
 - Identify American Recovery and Reinvestment Act (ARRA) funding separately; however, this funding is included in FY 11 costs;
 - Show workforce or full time equivalent (FTE) estimates.





Hanford Schedule

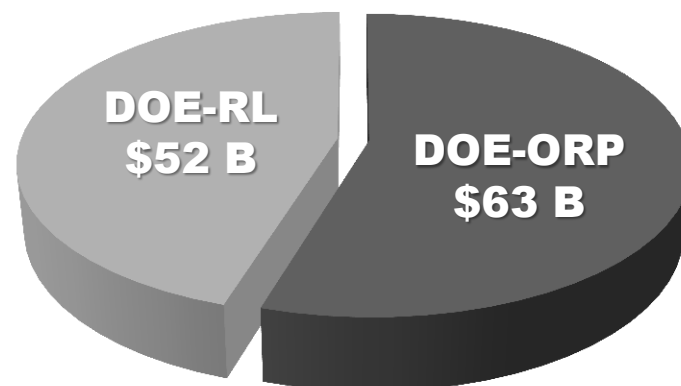
- Hanford Site remaining cleanup schedule covers activities for waste cleanup and waste management, leading to transition of portions of the site to LTS
- Figure below depicts the remaining schedule for the primary cleanup components
- Chapters 4.0 through 7.0 and Appendix E of the 2011 Lifecycle Report, present additional schedule details for the River Corridor, Central Plateau, Tank Waste, and Mission Support activities
- DOE-RL has responsibility for Mission Support activities related to safeguards and security, community and regulatory support, Hanford Site infrastructure and services, and LTS. Mission support activities align with the cleanup through FY 2060 and planned LTS period from FY 2061 through FY 2090





Hanford Cost

- Hanford's remaining cleanup costs are estimated to be about \$115 billion
 - DOE-RL scope accounts for about \$52 billion or about 45% of the total costs
 - DOE-ORP scope accounts for about \$63 billion or about 55%
- The 2011 Lifecycle Report includes in-depth cost estimates for projects awaiting final regulatory decisions
 - For the FY 2011 report, the TPA agencies identified 39 cleanup actions for which final decisions are needed
 - Two of the 39 were selected for in-depth cost estimate alternative analysis in the 2011 report
 - Disposition of 100 Area Surplus Reactors
 - 200-SW-2 Operable Unit Burial Ground
 - The Upper bound cost estimates for these two future cleanup actions have not been added to the cleanup cost estimates. Once related regulatory decisions are made, the remedy costs will be added into the overall cost estimates



Hanford Site cost estimate
FY 2011 - FY 2090 \$115 billion





Conclusion

- The 2011 Lifecycle Report is available on the website at www.hanford.gov and at the Public Information Repositories
- Ongoing input is an important part of the annual report preparation process
- The 2012 Lifecycle Report is currently underway and will be submitted to EPA and Ecology by January 31, 2012
- Comments received on the 2011 report will influence the 2013 and future Lifecycle Reports
- Feedback is currently being requested on the 2011 Lifecycle Report until November 10, 2011. All comments need to be submitted in writing to:
Shannon Ortiz
P.O. Box 550, A5-16
Richland, WA 99352
E-mail: LCCSS@rl.gov
- Questions



2011 Lifecycle Scope, Schedule and Cost Report

Perspective from Melinda J. Brown
Washington Department of Ecology

Hanford Lifecycle Report

- Ecology is pleased to have a comprehensive tool to evaluate all of the Hanford cleanup effort
- We appreciate the efforts that the RL Project Integration and Control and the MSA contractor made to organize the report in terms of the Project Baseline Summary structure
 - Those PBSs form the structure that the USDOE uses to plan cleanup complex-wide
 - They represent multi-year efforts that Congress can fund annually but track well over time and see results

Hanford Lifecycle Report

- We share ownership for the contents of the 2011 report
 - Our management team helped to identify many of the 39 cleanup actions that still require decisions
 - We also helped to select the two cleanup actions that the USDOE analyzed in depth

Hanford Lifecycle Report

- Why we are finding the 2011 report useful
 - We can see all of the pieces of cleanup for both RL and ORP in one document
 - We understand the assumptions and limitations of the costs and schedule estimates
 - We have our first detailed view of a very large task: cleaning up 6 different kinds of landfills at Hanford
 - We are especially interested in reviewing the plausible range of alternatives for remediation of the 200-SW-2
 - For the first time, we can really see the impacts and costs for cleanup alternatives for 6 different categories of landfills in 4 different zones
 - We have a better idea of the upper bound (remove, treat, dispose) and three cost models, including costs for excavating waste that do not have handling or processing methods at Hanford

Hanford Lifecycle Report

- We understand that some reviewers will be frustrated because comments will not appear until the FY 2013 report
 - Work is already underway on the 2012 report
 - The deadline for the report will not change (January 31, 2012) so receipt of comments by November 10 does not allow the USDOE to modify the 2012 report by the deadline
- We know that 2011 and successive reports will help us and you to make informed decisions about cleanup activities with priority in times of reduced funding

Hanford Lifecycle Report

- We now have a more precise estimate of the cost and duration of cleanup than the range that appears in the USDOE's budget requests
- We can see more precisely what cleanup will be affected by lack of funding in FY 2012
 - We can estimate the increase in cost that any delays will bring
 - We can see what cleanup activities will be targeted for delay and estimate the increased risk to the environment and human health

Hanford Lifecycle Report

- We are very interested in your comments as members of the HAB and those from members of the public
- We encourage each of you to read the 2011 report

2011 Lifecycle Scope, Schedule and Cost Report

Perspective from Dennis Faulk
U.S. Environmental Protection Agency

Discussion

August 17, 2011

Preparation for the September Board Meeting

Lifecycle Scope, Schedule and Cost Report

Wrap-Up & Committee Next Steps

Harold Heacock, Vice-Chair of BCC

Cathy McCague, Facilitator

*Thank you for your
participation today!*